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Agenda Item 5a

April 12, 2011

TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. **SUBJECT:** Health Plan Contract Innovations (Pilots) and Data Analysis Projects Update
- II. **PROGRAM:** Health Benefits
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

CalPERS receives requests to participate in health plan contract innovations (pilots) and external analyses of Health Care Decision Support System (HCDSS) data from various sources, including Health Benefits Committee members, academic institutions, nonprofit organizations, and employer organizations. Health plans that provide services to CalPERS partner with CalPERS staff on such projects.

The Health Benefits Branch (HBB) uses the results and recommendations from these projects to improve and enhance the CalPERS health program in the following ways:

- Improve wellness, delivery of health care services, and health outcomes for members
- Reduce medical expenses for CalPERS membership
- Enhance patient safety and quality of care
- Increase the value of health premiums paid
- Coordinate care efficiently across providers
- Apply principles of evidence-based medicine to health care
- Use health information technology effectively

There are currently eleven projects in the following areas: six disease management, one prevention, two wellness, and two service delivery/coordination of care.

Attachment 1 provides a summary of each of the health plan contract innovations which are highlighted as follows:

Contract Innovations: Disease Management

All three health plans are conducting pilots examining improvements in disease management evaluation and member engagement.

- (1) **“Ambulatory Intensive Care Unit Pilot,” Anthem Blue Cross:** This pilot implements a high intensity case management program through the Humboldt Independent Practice Association and the use of a case management model developed by the Pacific Business Group on Health in concert with the Boeing Corporation. Six hundred potential patients have been identified who would be matched to care management nurses. These nurses would coordinate care for this population. The expected outcome is better care with reduction in costs that would serve as a model for improving care in our overall population.
- (2) **“Pharmacist Care for Diabetes Pilot,” Blue Shield of California:** This pilot explores greater use of Raley’s pharmacists in improving member medication compliance for those with controlled Type II diabetes. Blue Shield has identified and actively engaged member participation. To date, 154 kits have been mailed to potential participants and 46 consultations conducted. The expected outcome is greater member compliance with medication regimes and improved quality of care for this higher risk population.
- (3) **“Diabetes Risk and Worksite Wellness Pilot,” Kaiser Permanente:** This pilot seeks to reduce the risk of diabetes among CalPERS members through enhanced risk assessment that includes lifestyle, education and health management. Solano County government employees and California State University at Northridge employees are participating in this pilot. The expected outcome is earlier detection of pre-diabetic risk factors and member education.

Contract Innovations: Wellness

Two contracted plans are conducting two studies that promote wellness.

- (4) **“Long Term Care Research Project,” Univita:** This study will determine if the access to and use of long term care benefits for personal care services improves health care use and reduces overall health care costs for those members holding long term care policies. The purpose of the study is to identify whether or not long term care program participation leads to reduced health costs for the health program.
- (5) **“Living Well Pilot,” Blue Shield of California:** The pilot is a worksite wellness program available to California Department of Public Health employees in Richmond. All employees are offered onsite biometric

screenings, wellness assessment and weekly wellness activities. Pre- and post- evaluation study will be conducted to determine if work place wellness improves health status.

Contract Innovations: Service Delivery

- (6) **“Catholic Healthcare West and Hill Physicians Medical Group (CHW/Hill) Pilot Program,” Blue Shield of California:** The pilot is designed to demonstrate the development of an integrated health care system through an Accountable Care Organization organizational model. This model is expected to demonstrate improvements in coordination of care, reduced costs through risk sharing arrangements and improvements in clinical outcomes.

Attachment 2 provides a summary of external data analysis projects which are highlighted below. Each project involves interaction between CalPERS staff and external researchers to ensure a robust study design, identification of a principal investigating team, and oversight of any resulting publications that use CalPERS data.

Data Analysis Projects: Disease Management

- (1) **“Influence of Consumer Cost Sharing on Use of Biopharmaceutical Drugs for Rheumatoid Arthritis,” University of California, Berkeley:** This study examines cost sharing structures, high cost drug therapies and the impact of cost on member selection of drug versus non-drug therapies. The study attempts to answer the question of whether or not increasing a members share of cost reduces the use of high cost drug therapies. Results will be used for future benefit design analyses.
- (2) **“California Personalized Healthcare Information Technology Pilot – Phase 1,” California Institute for Telecommunications and Information Technology:** This study examines health care data for patients with breast cancer in an effort to demonstrate how information technology enables integration of genome information into an electronic medical record to improve decision-making by both the patient and the provider. The expected outcome is improvements in decision support tools. CalPERS staff expect to use the result of this study in monitoring physician use of shared decision tools which provide our members with added alternatives for clinical care.
- (3) **“Potentially Avoidable Complications (PAC) Analysis,” University of California, San Francisco:** This study examines patterns of potentially avoidable complications using Prometheus software and self-funded claims data to assess deficiencies in care that are potentially preventable. The results will be used to identify PAC’s, educate providers and promote evidence-based care while reducing costs. The first part of the study will

identify gaps in care that lead to PAC's. This is the first step in looking at payment structures (including bundled payments) based on clinical outcomes.

Data Analysis Projects: Prevention

- (4) **“California Endowment Preventive Study,” Urban Institute:** This preventive services population study examines the use of community level preventive services and its impact on the health of a population. The study seeks to confirm a community based disease prevention approach to improved health status and reduced costs. CalPERS staff will use the results of this study to identify the potential for member engagement in prevention activities.

Data Analysis Projects: Service Delivery

- (5) **“High Performance Network Study,” Stanford University:** This study uses health claims data from the Health Care Decision Support System and salary data from the State Controller's office to examine how the introduction of high performance physician networks affect overall costs and how members choose between high value and more traditional plans. This study will inform CalPERS regarding opportunities for health plans to improve service delivery with greater cost effectiveness.

Next Steps:

- Identify and standardize criteria for entering into initiatives and pilot projects with our health plans and external partners.
- Update the Health Benefits Committee at least quarterly, or as needed.
- Identify those projects most closely aligned to the new CalPERS Center for Innovation.

V. STRATEGIC PLAN:

This directly relates to Goals X, XI, and XII of the Strategic Plan which state:

- “Develop and administer quality, sustainable health benefit programs that are responsive to and valued by enrollees and employers.”
- “Promote the ability of members and employers to make informed decisions resulting in improved lifestyle changes and health outcomes.”
- “Engage and influence the healthcare marketplace to provide medical care that optimizes quality, access, and cost.”

VI. RESULTS/COSTS:

This is an information only item.

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Attachments